

APR 29 1983

ALEXANDER L. STEVAS,
CLERK

No. 82-1603

IN THE

Supreme Court of the United States

October Term, 1982

TOYBOX CORPORATION,

Petitioners,

-v-

ILLFELDER TOY COMPANY, INC.,
and MARTIN SCHEMAN,

Respondents.

**BRIEF OF RESPONDENTS IN OPPOSITION
TO PETITION FOR A WRIT OF *CERTIORARI*
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

MICHAEL I. RACKMAN
GOTTLIEB, RACKMAN & REISMAN, P.C.
Attorneys for Respondent
1430 Broadway
New York, New York 10018
(212) 869-2890

TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
STATEMENT OF THE CASE	3
There Is No Need For The Testimony Of Children	4
By Every Standard, The Design Patent Is Invalid Because Of "Functionality"	6
Both Courts Below Followed The Proper Standards In Determining That Both Patents Were Invalid For Obviousness	12
CONCLUSION	16

TABLE OF AUTHORITIES

Cases

	<u>Page</u>
<u>Barofsky v. General Electric Corp.</u> , 396 F.2d 340, (9th Cir. 1968), cert. denied, 393 U.S. 1031 (1969)	7
<u>Hygienic Specialities Co. v. H.G. Salzman, Inc.</u> , 302 F.2d 614 (2d Cir. 1962)	7,8
<u>Bliss v. Gotham Industries, Inc.</u> , 316 F.2d 848 (9th Cir. 1963)	8
<u>Ex parte Levinn</u> , 136 U.S.P.Q. 606 (P.O. Bd. App 1962)	9,10,11
<u>Graham v. John Deere Co.</u> , 383 U.S. 1 (1966)	12,14,16
<u>Norfin, Inc., v. International Business Machines Corp.</u> , 625 F.2d 357 (10th Cir. 1980)	14
<u>Tanks, Inc., v. Reiter Industries, Inc.</u> , 545 F.2d 1276 (10th Cir. 1976)	14
<u>Lee Blacksmith, Inc., v. Lindsay Brothers Inc.</u> , 605 F.2d 341 (7th Cir. 1979)	15
<u>Schwinn Bicycle Co. v. Goodyear Tire & Rubber Co.</u> , 444 F.2d 295 (9th Cir. 1970)	15

Statutes and Rules

35 U.S.C. §103	12
Rule 17, Supreme Court Rules	2,3

IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1982

No. 82-1603

-----	-x
TOYBOX CORPORATION,	:
	:
Petitioner,	:
	:
-v-	:
	:
ILLFELDER TOY COMPANY, INC.,	:
and MARTIN SCHEMAN,	:
	:
Respondents.	:
-----	-x

BRIEF OF RESPONDENTS IN OPPOSITION
TO PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Introduction

Respondents, Illfelder Toy Company, Inc. and Martin Scheman, respectfully submit this brief in opposition to the Petition For Writ Of Certiorari to the United States Court of Appeals For the Second Circuit filed by petitioner Toy-

box Corporation.

The petition should be denied since the decision of the Court of Appeals is manifestly correct. Equally important, this case does not warrant review by this Court. The Court of Appeals for the Second Circuit followed acceptable standards of review in rendering its decision and did not violate the standards of this Court for assessing the question of patentability. To paraphrase Rule 17 of this Court, the decision of the Court of Appeals was not in conflict with the decision of another federal court of appeals on the same matter nor did the decision depart from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision. Furthermore, again paraphrasing Rule 17, the decision below was in no way in conflict with the applicable

decisions of this Court.

In short, the Petition fails to show that there are any "special and important reasons" for reviewing this matter on a Writ of Certiorari, within the meaning of Rule 17.

STATEMENT OF THE CASE

Petitioner, Toybox Corporation, is correct in that both the design patent and the mechanical patent were invalidated for "obviousness". The design patent was held invalid for an additional two reasons--the absence of ornamentality, and the presence of functionality.

Most important is the fact that this was not a case in which either court treated the matter lightly. The trial judge was extremely reluctant to invalidate the patents (Petition, 3); but the evidence was so overwhelming

that he had no choice.

REASONS FOR DENYING THE WRIT

There Is No Need For The
Testimony Of Children

The design patent depicts a trackway toy which, according to Petitioner, appeals to pre-school children. This Court is asked to give "guidance" to insure that a design patent on a toy will be judged on the basis of evidence regarding whether the toy is appealing to children, for whom it is intended.

The Court can take judicial notice of the fact that pre-school children do not purchase toys of the type involved here. If Petitioner's toy is going to be bought, it will be bought by adults for whom the toy has appeal.

Even more important is the fact that the design patent does not even mention the word "children", nor does it

suggest in any other way a class of interested purchasers or users.

At the trial, Petitioner's counsel came up with some novel theories. For example, although both parties in every patent lawsuit rely on the testimony of experts on the issue of obviousness, Petitioner's counsel argued that the expert testimony should not be considered because the experts are experts, and they therefore cannot testify about the level of ordinary skill in the art; similarly, although prior art patents are relied upon in every patent lawsuit, they should not be because they do not represent the level of skill in the art since they embody inventions. On the issue of design expertise, the same kind of absurd argument is being repeated by Petitioner now; just as we should have non-experts testify about obviousness, we should have children testify about

ornamentality.

It is interesting to contemplate the kind of expert testimony which Petitioner would argue is required had the design patent been directed to a dog collar or an insect trap.

By Every Standard, The Design Patent Is Invalid Because Of "Functionality"

For a design to be patentable, it cannot be "functional". It is the purpose of a mechanical patent to claim functional or utilitarian features. Of course, once a mechanical feature is selected for incorporation in a product, a "design" for it must be provided. But if the feature is incorporated because of its functional or utilitarian purpose, that feature cannot be considered as part of the design concept of the product. If the selection of the feature was not for the purpose of enhancing the aesthetic quality of the over-

all design, the presence of the feature will not help to establish design patentability. Barofsky v. General Electric Corp., 396 F.2d 340, 342 (9th Cir. 1968), cert. denied, 393 U.S. 1031 (1969).

Petitioner cites two cases which supposedly establish a conflict among the Circuits concerning the extent to which a design must be dictated by functional considerations before the "functionality" rule comes into play. The conflict centers around the words "solely" and "primarily", and is summarized by Petitioner as follows (Petition, 5):

The functionality rule has been stated differently by the various Circuits and the Patent Office. In the Second Circuit a design patent is invalid for functionality only where the appearance of the patented article is dictated solely by its mechanical requirements. Hygienic Specialities Co. v. H.G. Salzman, Inc., 302 F.2d 614, 618 (2d cir. 1962). In the

Ninth Circuit the test is whether the design is dictated primarily by mechanical requirements such that any pleasing appearance is merely a by-product of the mechanical requirements. Bliss v Gotham Industries, Inc., 316 F.2d 848, 851 (9th Cir. 1963). . . .

This case should hardly be a vehicle for resolving the purported conflict, for two reasons. First, the Second Circuit relied upon the stricter ("solely") test since it cited Hygienic (Petition, 2a). The same result must be reached no matter which test is employed; if the design was dictated solely by functional considerations, then it was necessarily dictated primarily by functional considerations.

Second, to the extent that there is any conflict among the Circuits, the conflict will certainly be resolved soon enough by the Court Of Appeals For The Federal Circuit. Now that there is a single Court to which appeals in patent

cases are taken, it can be expected that uniformity will be the rule--even if it was not the rule heretofore.

If Petitioner's argument is read carefully, it will be seen that what is really sought is not a resolution of a conflict among the Circuits, but rather the adoption of a new rule, a rule which Petitioner finds enunciated in a single decision of the Patent Office Board of Appeals, Ex parte Levinn, 136 U.S.P.Q. 606 (P. O. Bd. App 1962). Petitioner interprets the Levinn decision as standing for the proposition that a design can be considered to be functional only if there is no other way to implement the function.

This issue was before the Second Circuit, and Petitioner's position was rejected for good reason. There are always ways to give a product a dif-

ferent look, if by doing nothing more than adding appendages, making holes in parts, etc. The issue is not whether other designs are possible, but whether this particular design was dictated by function rather than by aesthetics. Were Petitioner's theory to be adopted, it would do away with the defense of "functionality" altogether because no design would ever be functional since alternatives are always possible.

The Patent Office decision in Levinn, the only case cited by Petitioner, does not even support its position. The Patent Office Board of Appeals simply held that the rejection of a design patent application on the ground of functionality could not be supported by the naked statement that the design was dictated solely by function; the fact that there were other products of the same type with different

designs proved that more than one design was possible. But that is just the starting point. Once it is established that other designs are possible so that the Examiner may not reject an application out of hand, the inquiry turns to whether the particular design under consideration is functional. The Levinn Board explained that following the resolution of the threshold question, it must be determined whether the particular design under consideration is functional. The Examiner in that case was reversed because he did not analyze the particular design and simply made general assertions.

In the case of Petitioner's design patent, the design was analyzed exhaustively, and there was no way for the District Court to conclude other than that practically everything in the de-

sign was dictated by function.

Both Courts Below Followed
The Proper Standards In
Determining That Both Patents
Were Invalid For Obviousness

There is agreement that in determining obviousness under 35 U.S.C. § 103, the rule of Graham v. John Deere Co., 383 U.S. 1, 17 (1966) applies:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.

Contrary to the argument advanced by Petitioner, however, the three-fold Graham inquiry was made.

With respect to the mechanical patent, the District Court described the "scope and content of the prior art" as including three claimed action features. As for "the differences between the

prior art and the claims at issue", the District Court addressed the argument that what was new (different) in Petitioner's toy was the combination of the specific features. But the District Court then found this difference to be obvious because the level of ordinary skill in the pertinent art was that the idea of combining old action features together was itself obvious. The District Court's findings may be relatively short, but nothing else is really called for. No more is required than findings that the individual action features were old (based upon specific prior art patents), and that the level of skill in the pertinent art was such that it was obvious to combine features in general, not to mention these three.

The District Court had less to say about the obviousness of the design patent. It was held that the design

patent involved an obvious combination of elements already disclosed in the prior art, and that the design did not rise to the level of a valid design patent. The Court of Appeals ruled that the findings of the District Court concerning the obviousness of combining the design features into a single toy was supported by the evidence introduced at trial and the testimony of the expert witnesses.

At the outset, it is to be noted that the lack of specific findings is not necessarily "clearly erroneous". Norfin, Inc. v. International Business Machines Corp., 625 F.2d 357, 364 (10th Cir. 1980). The failure to use the precise language of Graham is not fatal if it is clear that the trial court has "grappled with the problems". Tanks, Inc., v. Reiter Industries, Inc., 545

F.2d 1276, 1279 (10th Cir. 1976). Furthermore, when the differences between the patent in suit and the prior art are such that the subject matter as a whole would be obvious even to a layman, a determination of the level of skill is not even necessary. Lee Blacksmith, Inc. v. Lindsay Brothers Inc., 605 F.2d 341, 344 (7th Cir. 1979).

With respect to the mechanical patent, the District Court fully explained the basis for its obviousness ruling. The decision may have been short, but more was not required. While less was said about the design patent, when it comes to a design patent it is not even necessary to make detailed comparisons of features, as made clear by the Ninth Circuit in Schwinn Bicycle Co. v. Goodyear Tire & Rubber Co., 444 F.2d 295, 299 (9th Cir. 1970):

...By the same token, it seems inappropriate to discuss in detail the differences between the patented design and the prior art since those differences relate to individual elements and their specific functions. Undue reference to such differences in a design patent case seems to us to lead to improper emphasis on particular aspects of a design when the proper test is the impression created by the overall appearance.

In short, in connection with the mechanical patent, there can be no question that the District Court did everything called for by Graham. With respect to the design patent, it is enough that the District Court dealt with the issues, there being no requirement for detailed findings. More important, while both decisions were relatively short, they both did contain specific findings, with reliance on particular pieces of prior art, on the obviousness of both patents.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the Petition For A Writ Of Certiorari should be denied.

Respectfully submitted,

Michael I. Rackman
c/o GOTTLIEB, RACKMAN &
REISMAN, P.C.
1430 Broadway
New York, New York 10018
Telephone: (212) 869-2890

Dated: New York, New York

March 29, 1983